

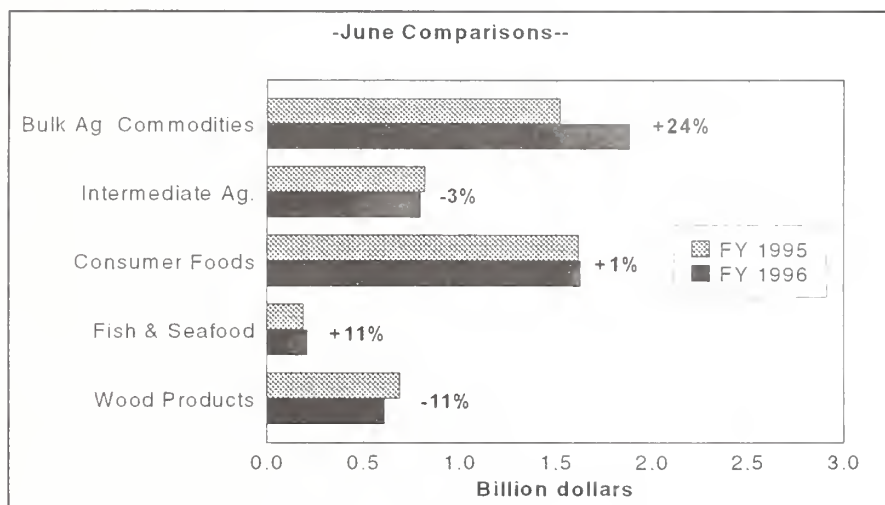
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# Agricultural Trade Highlights

## Exports Rise 6 Percent in June



June trade statistics released by the Commerce Department on August 20 placed the value of U.S. *agricultural, fish, and forest product* exports at \$5.1 billion, a 6-percent increase over June 1995. Agricultural exports totaled \$4.3 billion, up 9 percent over year-ago levels. Bulk commodity exports registered a gain of 24 percent, while exports of intermediate products were down 3 percent and consumer foods remained largely unchanged. Fish and forest product exports totaled \$824 million in June, down 7 percent from the same month last year.

June shipments brought agricultural, fish, and forest product exports to \$53.3 billion for the first nine months of fiscal year 1996, 9 percent higher than the same period in fiscal year 1995. Agricultural exports continue to be the best performers, up 12 percent over the same period last year at \$46 billion.

At \$1.9 billion in June, U.S. exports of *bulk agricultural commodities* increased 24 percent over the same month last year. Higher prices and strong foreign demand for coarse grains and wheat continue to support higher U.S. export values for

these commodities. During the first nine months of fiscal year 1996, bulk commodity exports totaled \$22.8 billion, up 23 percent from the same period last year. Stronger import demand from Asian Pac Rim countries, Mexico, and the EU-15 underpins rising U.S. bulk exports.

U.S. exports of *intermediate agricultural products* totaled \$799 million in June, down 3 percent from the same month last year. So far this fiscal year, intermediate product exports are down 5 percent to \$8.2 billion. The slower pace in soybean oil shipments, due to reduced demand from China, accounts for much of the decline in this category. Animal fats and wheat flour also have recorded substantial declines.

Exports of U.S. *high-value, consumer-oriented products* totaled \$1.6 billion in June, up 1 percent over June 1995. Results were mixed with eight of the 15 major product groups registering gains. The products that recorded the largest gains were tree nuts and poultry meat. During the first nine months of fiscal year 1996, consumer food exports reached \$15.1 billion, up 9 percent over the same period last year. Although likely to reach

a new record in fiscal year 1996, consumer food export expansion has moderated from the pace seen during the past several years. This is largely due to slower sales growth to Canada and Mexico. Import demand from Japan, our largest market, remains strong with sales up 14 percent so far this year.

At \$211 million in June, edible *fish and seafood* exports rose 11 percent from June 1995. Gains for surimi, salmon (both canned and whole), and roe and urchin offset declines in crab and crab meat. U.S. fish and seafood exports during the first nine months of fiscal year 1996 totaled \$1.9 billion, down 6 percent from a year earlier. Shipments to Japan, which account for half of all U.S. seafood exports, were down 17 percent largely due to lower sales of surimi.

U.S. *forest product* exports totaled \$613 million in June, down 11 percent from last year. Declines in log and lumber exports more than offset gains for other further-processed wood products like window frames and wood doors. Exports during the first nine months of fiscal year 1996 were down 6 percent from the same period a year earlier at \$5.3 billion due in part to lower log sales to Japan, our most important export market.

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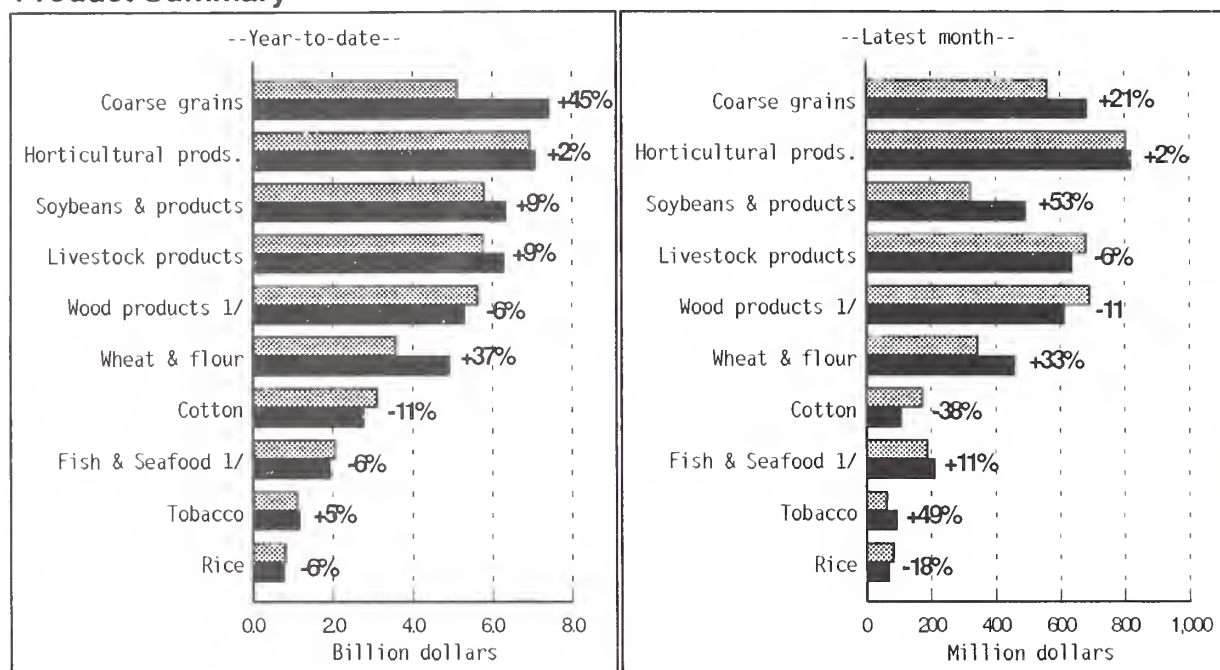
# U.S. Agricultural, Fish, and Wood Export Summaries

## October-June and Latest Month Comparisons

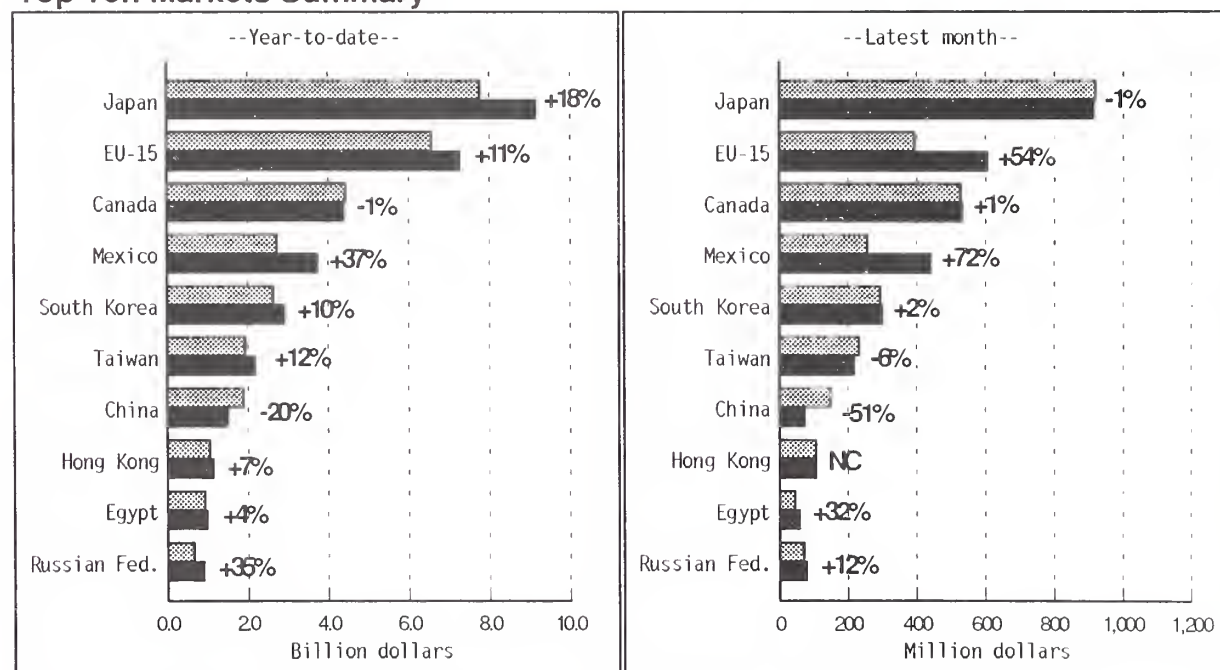
FY 95

FY 96

### Product Summary



### Top Ten Markets Summary



Note. Percentages are computed as the change from a year ago.  
1/ Not included in agricultural totals.

## Feature Story:

# U.S. Agricultural Trade Outlook

*U.S. AGRICULTURAL EXPORTS FORECAST AT \$58 BILLION IN FISCAL YEAR 1997 -- AGRICULTURAL TRADE SURPLUS EXPECTED TO SLIP TO \$26 BILLION.*

USDA's initial export forecast for fiscal year 1997 (October 1996 - September 1997) was released late last month at \$58 billion. The forecast for fiscal year 1996 remains unchanged at a record \$60 billion. The downturn in overall export value projected for next year is attributed to a \$3.5 billion decline in the value of shipments of bulk agricultural commodities. Reduced export sales of wheat, corn, and cotton are anticipated. In contrast, export value for high value, consumer foods is forecast to increase nearly \$1.5 billion and is expected to reach its 11th consecutive record level. The U.S. agricultural trade surplus in fiscal year 1997 is forecast to decline to \$26 billion due to record imports and a reduced export value.

### Commodity Highlights

**Wheat and flour** exports in fiscal year 1997 are projected to decline 7 million tons and \$2.1 billion to 26 million tons valued at \$4.8 billion. This projected decline is due to reduced volume and lower export prices. Tight domestic supplies, much larger exportable supplies from major competitors, and reduced global import demand will lower U.S. exports. Wheat flour exports are projected to double from 500,000 tons in fiscal year 1996 to 1 million tons in fiscal year 1997 due to lower wheat prices.

**Coarse grain** exports are forecast to drop 3.1 million tons and \$900 million to 58 million tons valued at \$8.6 billion in fiscal year 1997. The prospect of a smaller than earlier anticipated 1996/97 U.S. corn harvest will limit export supplies, cutting corn exports 3.5 million tons to 51.5 million tons. Reduced export volume and somewhat weaker prices are projected to lower U.S. corn export value to \$7.6 billion. U.S. sorghum exports are projected to increase in response to a larger domestic crop and increased foreign demand.

**Rice** exports in fiscal year 1997 are forecast to decline 700,000 tons to 2.3 million tons, in response to a slight decrease in domestic production combined with increased domestic consumption. Crop output for long-grain rice is expected to be lower mainly due to a reduction in

planted area. Higher export prices will partially offset the decline in next year's export volume, but overall export value is projected to decline \$200 million to \$900 million. Price strength is anticipated in fiscal year 1997 as domestic long-grain rice supplies tighten. Competition from Asian rice should intensify as U.S. prices rise, but demand in Latin American markets is expected to remain strong for U.S. long-grain rice. Japan is expected to import more medium-grain rice to fulfill its GATT minimum access obligations.

**Oilseeds and product** exports in fiscal year 1997 are forecast at 30.8 million tons, unchanged from the current year. However, export value is forecast to increase \$800 million to \$10.4 billion largely due to higher export prices for soybeans and soybean meal and higher soybean oil exports. Higher prices reflect lower projected global oilseed supplies and lower ending stocks. U.S. oilseed production for 1996/97 is forecast to increase 6 percent, although exportable supplies are expected to remain tight due to low carry-in levels. China is expected to enter the world market as a major buyer of vegetable oils, and U.S. soybean oil exports are forecast to rise to 800,000 tons valued at \$500 million.

**Cotton** exports in fiscal year 1997 are forecast to decline 200,000 tons and \$700 million to 1.5 million tons valued at \$2.4 billion. U.S. cotton production is expected to increase in 1996/97, but, U.S. exports will face increased competition in overseas markets as crop output in other supplier countries, such as Argentina and Australia, increases. World cotton trade is expected to decline due to significant reductions in imports of cotton by China.

**Livestock, poultry, and dairy** exports in fiscal year 1997 are forecast to increase \$600 million to a record \$12.7 billion. A projected gain in poultry and product exports is offset by a loss in dairy products, while livestock products are expected to increase \$600 million to a record \$9.3 billion. Japan, South Korea, and Russia remain the major markets for U.S. beef and pork exports, which are forecast to rise 70,000 tons and \$400 million to 1.5 million tons valued at a record \$5.1 billion. This relatively modest increase reflects lower beef prices and



## ...Agricultural Trade Outlook

import policy uncertainties in Russia. An improved outlook for animal fats and live cattle account for most of the remaining projected increase in livestock product exports. Poultry meat exports are forecast to increase \$200 million to a record \$2.9 billion. Russia and China/Hong Kong are expected to remain the top markets for U.S. broiler meat and account for most new sales.

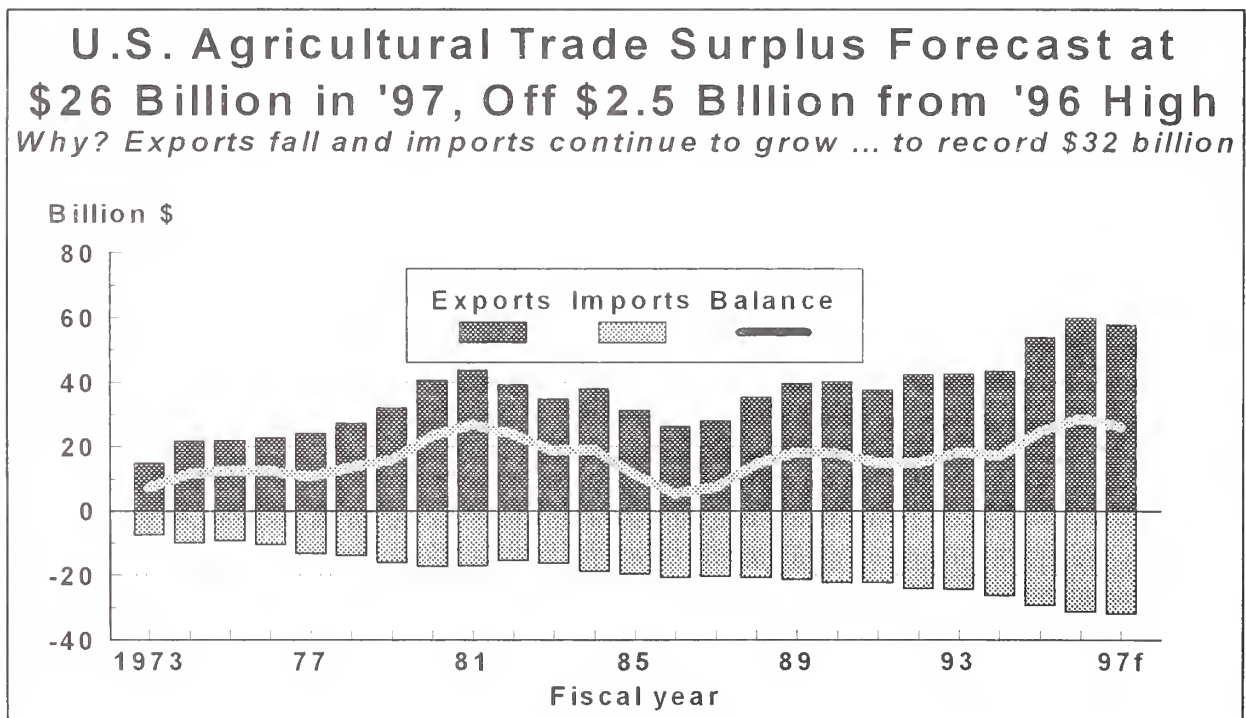
**Horticultural** exports in fiscal year 1997 are forecast at a record \$9.8 billion. With increases of \$200 million each, fruit and vegetable exports are projected to reach records of \$3.5 billion and \$2.6 billion, respectively. The forecast for horticultural products assumes that sales to Mexico continue their current pace of recovery, exports to Canada benefit from the progressive lowering of duties, steady growth to key Asian Pacific Rim markets continues, and no significant appreciation in the dollar against the yen which would slow sales to Japan.

### Agricultural Trade Surplus

U.S. agricultural imports in fiscal year 1997 are forecast at a record \$32 billion, \$500 million higher than expected in fiscal year 1996. Small gains are expected for most

categories, but imports of tropical products are likely to remain near 1996 levels due to lower expected prices. In response to the record import level and a smaller exports, the U.S. agricultural trade surplus in fiscal year 1997 is forecast to decline \$2.5 billion to \$26 billion. Despite the decline in the agricultural trade surplus, agriculture continues to be one of the leading positive contributors to the nation's balance of trade.

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# U.S. Exports of Agricultural, Fish & Forest Products by Major Group

## Monthly and Annual Performance Indicators

Export Values	June			October-June			Fiscal Year			
	1995	1996		FY '95	FY '96		1995	1996(f)	1997(p)	
	-- \$Billion --		Chg	-- \$Billion --		Chg	----- \$Billion -----			Chg
Grains and Feeds 1/	1.333	1.547	16%	12.555	16.314	30%	17 637	21.8	18.7	-14%
Wheat & Flour	0.346	0.459	33%	3.596	4.923	37%	5.201	6.9	4.8	-30%
Rice	0.085	0.070	-18%	0.820	0.773	-6%	1.050	1.1	0.9	-18%
Coarse Grains 2/	0.563	0.684	21%	5.137	7.430	45%	7.411	9.5	8.6	-9%
Corn	0.509	0.629	24%	4.559	6.709	47%	6.619	8.5	7.6	-11%
Feeds & Fodders	0.213	0.214	0%	1.893	2.032	7%	2.511	2.8	2.9	4%
Oilseeds and Products	0.491	0.624	27%	7.309	7.757	6%	9.119	9.6	10.4	8%
Soybeans	0.221	0.422	91%	4.253	5.159	21%	5.274	6.2	6.7	8%
Soybean Cakes & Meals	0.056	0.066	18%	0.844	0.935	11%	1.079	1.2	1.3	8%
Soybean Oil	0.046	0.005	-89%	0.721	0.241	-67%	0.809	0.3	0.5	67%
Other Vegetable Oils	0.083	0.059	-29%	0.709	0.676	-5%	0.918	N/A	N/A	N/A
Livestock Products	0.681	0.637	-6%	5.787	6.291	9%	7.831	8.7	9.3	7%
Beef, Pork & Variety Meats	0.371	0.337	-9%	2.904	3.434	18%	4.038	4.7	5.1	9%
Hides, Skins & Furs	0.155	0.146	-6%	1.297	1.260	-3%	1.738	1.7	1.7	0%
Poultry Products	0.166	0.201	21%	1.618	1.996	23%	2.210	2.7	2.9	7%
Poultry Meat	0.137	0.170	24%	1.356	1.716	27%	1.867	N/A	N/A	N/A
Dairy Products	0.080	0.067	-17%	0.588	0.563	-4%	0.789	0.7	0.5	-29%
Unmanufactured Tobacco	0.064	0.095	49%	1.116	1.173	5%	1.329	1.4	1.4	0%
Cotton and Linters	0.174	0.107	-38%	3.126	2.788	-11%	3.496	3.1	2.4	-23%
Planting Seeds	0.028	0.039	40%	0.560	0.586	5%	0.680	0.7	0.7	0%
Horticultural Products	0.804	0.820	2%	6.956	7.080	2%	9.110	9.3	9.8	5%
Sugar & Tropical Products	0.144	0.176	22%	1.450	1.497	3%	1.940	2.0	2.0	0%
Forest Products 4/	0.692	0.613	-11%	5.650	5.311	-6%	7.335	N/A	N/A	N/A
Fish and Seafood Products 4/	0.190	0.211	11%	2.062	1.943	-6%	3.172	N/A	N/A	N/A
Total Agriculture	3.964	4.313	9%	41.066	46.044	12%	54.141	60.0	58.0	-3%
Total Ag., Fish & Forest	4.846	5.137	6%	48.777	53.299	9%	64.648	N/A	N/A	N/A

Export Volumes	---- MMT----			---- MMT----			----- MMT-----			
			Chg			Chg				Chg
Grains and Feeds 1/	8.541	7.136	-16%	86.244	85.504	-1%	118.626	N/A	N/A	N/A
Wheat	2.133	2.004	-6%	22.907	23.405	2%	32.094	32.0	25.0	-22%
Wheat Flour	0.055	0.039	-29%	0.894	0.340	-62%	1.184	0.5	1.0	100%
Rice	0.299	0.204	-32%	3.017	2.227	-26%	3.767	3.0	2.3	-23%
Coarse Grains 2/	4.729	3.780	-20%	47.418	48.125	1%	65.670	61.1	58.0	-5%
Corn	4.257	3.481	-18%	42.085	43.591	4%	58.645	55.0	51.5	-6%
Feeds & Fodders	1.108	0.940	-15%	10.147	9.574	-6%	13.483	12.9	13.0	1%
Oilseeds and Products	1.619	1.868	15%	27.629	25.066	-9%	34.050	30.8	30.8	0%
Soybeans	0.967	1.409	46%	19.267	18.557	-4%	23.584	22.4	22.3	-0%
Soybean Cakes & Meals	0.320	0.277	-13%	4.800	4.043	-16%	6.094	5.3	5.2	-2%
Soybean Oil	0.073	0.007	-90%	1.089	0.399	-63%	1.216	0.5	0.8	60%
Other Vegetable Oils	0.115	0.077	-33%	0.988	0.929	-6%	1.281	N/A	N/A	N/A
Livestock Products 3/	0.332	0.295	-11%	2.772	3.048	10%	3.688	N/A	N/A	N/A
Beef, Pork & Variety Meats	0.120	0.114	-5%	0.912	1.097	20%	1.256	1.5	1.6	7%
Poultry Products 3/	0.145	0.177	22%	1.406	1.758	25%	1.943	N/A	N/A	N/A
Poultry Meat	0.141	0.171	21%	1.373	1.720	25%	1.901	2.3	2.5	9%
Dairy Products 3/	0.047	0.036	-24%	0.322	0.361	12%	0.440	N/A	N/A	N/A
Unmanufactured Tobacco	0.010	0.016	56%	0.167	0.185	11%	0.197	N/A	N/A	N/A
Cotton & Linters	0.097	0.061	-38%	1.863	1.562	-16%	2.068	1.7	1.5	-12%
Planting Seeds	0.020	0.053	164%	0.374	0.500	34%	0.541	N/A	N/A	N/A
Horticultural Products 3/	0.648	0.626	-3%	5.470	5.416	-1%	7.001	7.1	7.5	6%
Sugar & Tropical Products 3/	0.084	0.088	5%	0.797	0.834	5%	1.104	N/A	N/A	N/A
Total Agriculture 3/	11.543	10.355	-10%	127.045	124.232	-2%	169.660	160.0	150.5	-6%

Notes: 1/ Includes pulses, corn gluten feed and meal, 2/ includes corn, oats, barley, rye and sorghum; 3/ includes only those items measured in metric tons, 4/ items not included in agricultural product totals. N/A = not available.

FY 1996 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published August 29, 1996.

## Feature Story:

# Cochran Fellowship Program

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### *"BUILDING SUSTAINABLE EXPORT MARKETS" - USDA TARGETS TECHNICAL ASSISTANCE AND ECONOMIC DEVELOPMENT THROUGH THE COCHRAN PROGRAM*

*The linkage between sustainable development and trade is based upon the premise that U.S. efforts to share technical expertise with developing countries will provide the tools to help build stable and more prosperous economies which ultimately will stimulate overseas demand for U.S. farm products. Rising incomes permit developing countries to increase their food imports to help meet their growing demands for more and different foods. USDA's Long-Term Agricultural Trade Strategy seeks new and innovative ways to integrate assistance programs such as the Cochran Program with other USDA initiatives to achieve the Department's trade goals. An excellent example is the expanded country eligibility extended to the Cochran Program by the recently authorized Emerging Markets Program.*

#### **Program Background**

Since 1984, the United States Congress has made funds available for training agriculturalists from middle income countries and emerging democracies. Training programs are developed in the United States for selected senior- and mid-level specialists and administrators from both the public and private sectors concerned with agricultural trade, agribusiness development, marketing, policy, and technology transfer. The Cochran Fellowship Program is administered by USDA's Foreign Agricultural Service (FAS). The Program works closely with other USDA agencies, agricultural trade and market development associations, agricultural colleges and universities, and agribusinesses to implement training programs.

#### **Program Objectives**

Program objectives are to provide high quality training resulting in knowledge and skills that will:

Assist eligible countries to develop agricultural systems necessary to meet the food needs of their domestic populations; and

Strengthen and enhance trade linkages between U.S. agricultural interests and eligible countries.

#### **Cochran Participation in 1995**

The Cochran Fellowship Program provided training for a record 716 participants from 42 countries during fiscal year 1995 (October 1994 - September 1995). New programs were initiated in eight countries: Estonia, Latvia, Lithuania, the Philippines, Indonesia, Romania, Tunisia, and South Africa. Fiscal Year 1995 was the last year of the Cochran program in Hong Kong, Singapore, and Taiwan. These countries are now classified as high-income countries and, therefore, are no longer eligible for the program.

The Newly Independent States (NIS) of the former Soviet Union accounted for the largest regional participation in the Cochran Program during 1995, with about 41 percent of total program trainees. Nearly half of all NIS country participants were Russian. Non-EU Europe was the second largest participating region with about one-third of all trainees. Within this region, the program was most active in Poland. The Asian region accounted for approximately 16 percent of total participants; Latin America, 11 percent; and Africa, 4 percent.

The 716 Cochran participants in fiscal year 1995 represented a 38 percent increase over a year earlier and a 550 percent increase over 1984, the initial year of the Program's operation. In total, there were about 273 separate training programs, with an average of 2 to 3 participants per program.

#### **Country Eligibility**

Middle-income countries that meet the following requirements are eligible to participate in the program:

1. The country's principal agricultural exports do not compete significantly with U.S. agricultural commodities and products in international trade.
2. A country, or significant segments therein, that has developed economically to a point where it no longer qualifies for bilateral foreign assistance from the United States because its per capita income level exceeds the



## ...Cochran Program

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eligibility requirement of such assistance programs. The country may still have PL-480 funds, Economic Support funds, centrally or regionally funded activities, or residual programs funded by appropriations from previous years.

3. A country that has never qualified for bilateral foreign aid assistance from the United States, but with respect to which an ongoing relationship with the United States, including technical assistance and training, would provide mutual benefits to such country and the United States.

4. A country that has recently begun the transformation of its system of government from a non-representative type of government to a representative democracy and that is encouraging democratic institution building, and the cultural values, institutions, and organizations of democratic pluralism.

5. The country has economic ties with the United States.

### Program Design

The Cochran Fellowship Program offers short-term training opportunities, most ranging from 2 weeks to 3 months depending on the objectives of the program. Participants meet with professionals in their fields, participate in field observations and industry visits, experience on-the-job training, attend university courses and seminars, or participate in a combination of the above. No training is offered which directly enhances a country's ability to export goods in competition with the United States. The Cochran program works closely with FAS' Foreign Agricultural Affairs Officers stationed overseas and U.S. agricultural trade and market development associations to identify potential areas of training for countries participating in the program. Every effort is made to match U.S. agricultural interests with those of the recipient countries.

### Training Focus

The Cochran Fellowship Program reflects a philosophy that training should provide participants with sound technical knowledge and the opportunity to test and practice new skills and knowledge in practical situations. Therefore, most programs offer a mixture of technical instruction, practical field observations, and "hands-on" experience. Programs are specially designed in accordance with the training objectives identified during

interviews with candidates and the recommendations of the respective USDA/FAS Foreign Agricultural Affairs Officer. All training occurs in the United States.

### Applicant Eligibility

The Cochran Fellowship Program is open to the staff of agribusinesses, government departments, universities, and other agricultural organizations. In their own countries, applicants may be managers, technicians, scientists, professors, administrators, and/or policy makers. All participants must be proficient in the oral and written usage of the English language.

### Program Procedures

FAS/Washington designates countries for participation and transmits program announcements to the USDA Foreign Affairs Officers (Agricultural Counselors and Attaches) stationed overseas. The Foreign Affairs Officers notify the appropriate parties in their country/countries of responsibility in order to solicit nominations. Applications, containing a detailed description of the training request, are submitted to the Foreign Affairs Officers who conduct an initial screening of applicants. A final pool of applicants is selected by the Foreign Affairs Officers and is interviewed during country visits by FAS/Washington Cochran Program staff. Final approval of Cochran candidates is made by a USDA committee, chaired by the Cochran Fellowship Program Director, on the basis of candidates' qualifications, the recommendations of the Foreign Affairs Officers, staff interviews, and country specific training needs.

### Cochran Program Funding

Cochran Program funding in 1995 was obtained from 3 sources: Congressional appropriations, USDA's Emerging Markets Program, and the U.S. Agency for International Development (USAID) for the Newly Independent States.

Congressional appropriations provided funding for 39 percent of all Cochran participants (279 trainees) in fiscal year 1995. This represented the exclusive funding source for all training activities offered to participants from Asian and Latin American regions, as well as from Cote d'Ivoire, Tunisia, Romania, and Turkey.

## ...Cochran Program

USDA's Emerging Democracies Office (EDO) was established in the Food, Agriculture, Conservation, and Trade Act of 1990 to provide targeted countries with technical assistance in areas that promote agricultural reform and that develop, maintain or expand markets for U.S. agricultural exports. In fiscal year 1995, the EDO provided funding for 37 percent of all Cochran participants (263 trainees). EDO funds were utilized for Cochran participants from Russia, Ukraine, Estonia, Latvia, and Lithuania, Poland, the Czech Republic, Slovakia, Bulgaria, Hungary, Croatia, Slovenia, Albania, and South Africa.

The Emerging Markets Program was authorized in the Federal Agriculture Improvement and Reform Act of 1996. It builds upon and expands the Emerging Democracies Program. The 1996 Act authorizes \$10 million annually for 7 years for agricultural technical assistance to develop, maintain, or expand markets for U.S. agricultural exports in countries designated as "emerging markets." The initiation of the Emerging Markets Program will allow greater flexibility for the Cochran Program. Countries such as China, Burma, Vietnam, and Cambodia which could not meet emerging democracies criteria do meet emerging markets criteria and thus have become eligible for Cochran participation utilizing funding under the Emerging Markets Program.

In fiscal year 1995, USAID provided funding to carry out Cochran training for participants from the 12 Newly Independent States of the former Soviet Union. This covered 174 participants, representing 24 percent of the total.

### Cost Sharing

In order to extend the benefits of the Cochran Program to a greater number of participants, the Program has attempted to leverage its funding in two important ways: (1) by utilizing, where possible, non-governmental organizations to provide some of the hosting, escorting, technical training, and logistical support for participants without requesting reimbursement of costs incurred; and (2) by requiring that participants or their sponsoring organizations pay their own international airfares. Exceptions, however, were made last year to the airfare contribution provision for participants from the NIS countries, South Africa, and Albania.

**Self-Sponsorship**--Another area of financial contribution to the program is self-sponsorship of training activities. Application for Cochran-organized training often is received from individuals that have the financial resources to pay their own way. During fiscal year 1995, 7 participants paid all costs associated with their training activities. Self-sponsorship enables the program to reach more international participants without additional costs being incurred.

### Training Topics

The 716 Cochran fellows that participated in the program during fiscal year 1995 received training in 273 different training programs. These training programs represented a broad range of commodity and technical training topics. Although training programs often cover more than one commodity or technical training topic, an overview of the program's subject matter is depicted in the generalized categories shown in the following table.

### Cochran Training In Fiscal Year 1995

<u>Commodity Training Area</u>	<u>Number of Programs</u>	<u>Number of Participants</u>
Grain and Oilseeds	28	51
Forestry/Wood Products	2	22
Dairy, Livestock, & Poultry	48	100
Cotton and Seeds	9	14
Horticultural Products	13	28
Consumer-ready Products	32	125
Subtotal	137	340

<u>Technical Topics</u>	<u>Number of Programs</u>	<u>Number of Participants</u>
Ag. Banking & Finance	12	29
Ag. Policy & Trade Policy	30	87
Food Safety & Regulation	24	59
Infrastructure	18	62
General Technical	52	139
Subtotal	136	376
GRAND TOTAL	273	716

# ...Cochran Program

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## Cochran Program Benefits

The benefits of the Cochran Fellowship Program to U.S. agriculture are categorized below. For detailed information on specific Cochran training programs, you should obtain a copy of the 1995 Summary of the Cochran Fellowship Program from the Food Industries Division of the Foreign Agricultural Service.

**Export sales of U.S. agricultural commodities**--The sale of U.S. agricultural commodities or products that come about from information gained and/or direct contacts provided by participant training is an immediate benefit from the Cochran Program. Although no overall assessment of the value of these export sales related to the Program is available, significant anecdotal evidence exists to suggest that export demand generation is substantial. Often there is a lag effect where sales are generated from training received in earlier years. Cochran training activities are used to educate international participants on USDA export assistance programs such as GSM-102 Credit Guarantee Program, PI-480, and the Export Enhancement Program.

Among the more noteworthy examples of exports generated by the fiscal year 1995 program are: wheat to Slovenia; cookies and popcorn to Colombia; wood products and soybean products to Bulgaria; hardwoods to the Philippines and Poland; and high-value food products to Poland, China, Indonesia, and Malaysia. Many of these represent first-time sales to new international customers and could result in longer-term, regular sales of U.S. products.

**Reduced Constraints to imports of U.S. agricultural commodities**--The Program has proven effective in helping to address constraints to U.S. agricultural exports due to sanitary and phytosanitary restrictions of other countries. Cochran training through USDA agencies such as the Food Safety Inspection Service for meat and poultry products; the Federal Grain Inspection Service for grains; the Animal and Plant Health Inspection Service on animal genetics, veterinary protocol, live animal standards, and animal and plant quarantine; State Departments of Agriculture on state inspection systems; the Food and Drug Administration and the Environmental Protection Agency on pesticide regulations and residue monitoring; and with private agribusinesses; provide technical information to country counterpart agencies and

help to improve the opportunities to export U.S. products into countries.

During fiscal year 1995, 59 Cochran fellows participated in programs directly related to providing information on the safety of the U.S. food and fiber system as well as providing direct contact with U.S. counterparts.

**Fostering business to business contacts**--One of the major objectives of most Cochran training activities is to put the international participant in direct contact with U.S. agribusinesses. Even when immediate sales do not result, follow-up contact with participants in their home country often leads to trade and investment opportunities for U.S. agribusiness. Noteworthy among the possible business ventures made possible by Cochran activities in fiscal year 1995 were contacts established with business representatives from Hungary, Slovenia, Kazakhstan, and Turkey.

Participation in trade shows allow Cochran participants first-hand contact with a wide range of agribusinesses. In fiscal year 1995, the Cochran Program arranged for 115 international participants from 18 countries to attend the FMI/NASDA Food Expo, the largest food show in the United States.

**FAS Agricultural Affairs Offices**--The primary contact for Cochran activities overseas is FAS's Agricultural Affairs Offices and Agricultural Trade Offices. The Cochran Program has proven beneficial to these offices in initiating and maintaining contacts with public and private sector decision makers, resolving trade policy issues, creating contacts for U.S. exporters, and as a general aid in fostering good relations with host governments.

For further information on the Cochran Fellowship Program, please contact:

Gary Laidig  
Cochran Fellowship Program Leader  
Food Industries Division  
International Cooperation and Development  
Foreign Agricultural Service/USDA  
Phone: (202) 690-1734  
Fax: (202) 690-0349  
Internet: glaidig@ag.gov



## Country Report: Mexico

*Mexico is the third largest market for U.S. agricultural exports, exceeded only by Japan and Canada. When Mexico's economy went into recession in late 1994, U.S. exporters felt the brunt. Now, however, Mexico's economy is on the road to a full recovery, and as a result, U.S. agricultural exports to Mexico are headed for a record high. U.S. exports of agricultural products to Mexico for January to June 1996 are up 76 percent over 1995. While overall exports are up, the increases have been greatest in bulk grains. Many factors are at play in the increase, including the drought affecting much of the country.*

### Economic Recovery Accelerates; Trade Prospects Follow

While Mexico was in recession in each quarter of 1995 and the first quarter of 1996 (down only 1.0 percent), gross domestic product (GDP) was up 7.2 percent in the second quarter of 1996, and the 1996 overall growth rate is expected to exceed 3 percent.

Several reasons suggest that a strong recovery is looming. All the indicators are there: Economic activity is up, inflation is down, exchange rates are steady, and unemployment is decreasing.

Inflation has rapidly come under control,

with the inflation rate diving from around 50 percent per year in 1995 to less than 20 percent currently.

Since January, exchange rates have remained firm at about U.S.\$1.00 = 7.5 to 7.6 pesos. The unemployment rate has declined from its August 1995 peak of 7.6 percent to a current level of 5.8 percent. The federal government is ahead of schedule on paying off the \$20 billion borrowed from the United States. Of that amount, only \$3.5 billion remains unpaid.

Finally, economic activity is on the rebound. Overall industrial activity has been up in all major sectors except construction, and even there it returned to

positive growth at mid-year. All major independent analysts in Mexico foresee a return to positive growth for 1996. Predictions for 1996 range from a 2.9 percent increase in GDP to 3.8 percent.

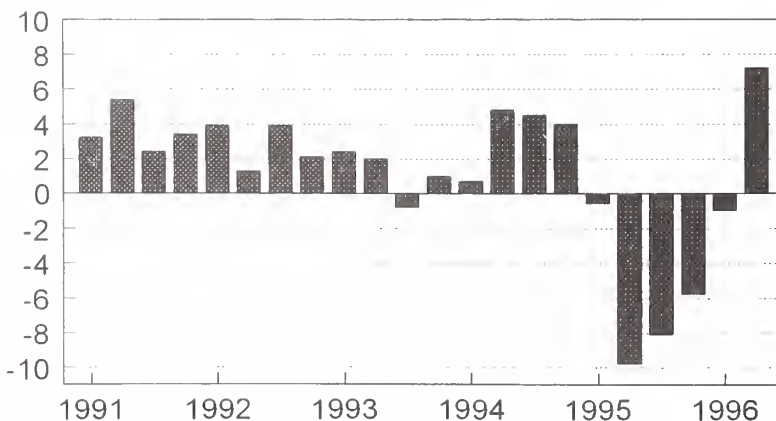
U.S. agricultural exports to Mexico have recovered from the steep drop experienced in 1995 as a result of the recession. January to June exports are at record highs, to \$2.8 billion. Total monthly export levels have been above 5-year trend lines for the past six months, and with a slow recovery in domestic demand expected throughout 1996, U.S. exports to Mexico can be expected to continue to increase.

While much of the increase in U.S. exports is a result of higher corn purchases because of last year's drought, overall trade is back up to before-recession levels. For January - June, exports are running 76 percent above 1995 levels. While it is unlikely that this high level of increase can be sustained, still the momentum of exports so far in 1996 will be hard to stop. If the upward trend in exports continue, 1996 exports will top the \$4.5 billion record set in 1994, and could be as high as \$5.8 billion.

With the improving economy and a more stable peso, supermarkets and discount stores are again stocking U.S. products. Consumers are getting accustomed to the differential in prices between domestically produced products and U.S. products and are buying more U.S. products. Also, price inflation for domestically-produced products has narrowed the price gap between domestic and imported items. Moreover, a more stable peso and the increasing cost of Mexican production make U.S. products more competitive with domestically produced products by lowering the price differential. An improving economy has also spurred demand for many high value products.

### Mexico's GDP Turns Positive After 5 Quarters of Negative Growth

Percent annual change in GDP



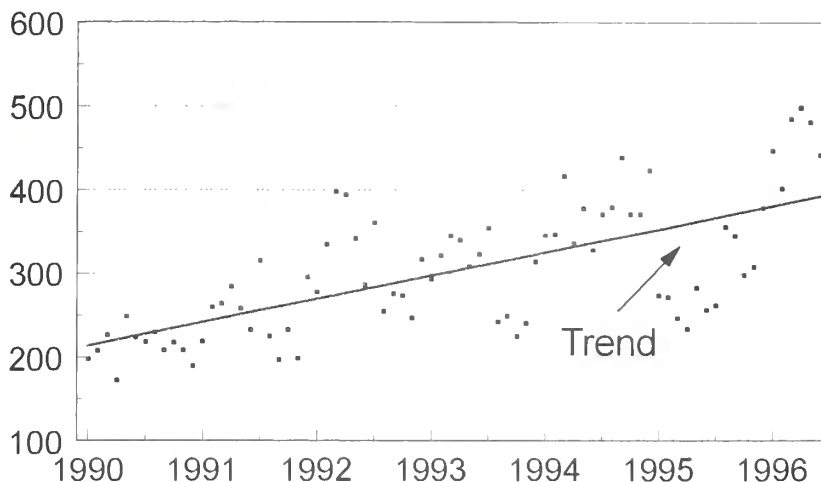
Source: Instituto Nacional de Estadística, Geografía e Informática.



## ...Mexico

### U.S. Monthly Agricultural Exports to Mexico On the Way Back Up

\$ Millions



Note: Points on chart represent monthly U.S. ag exports.

#### NAFTA Helped in '95

The 1995 recession caused a big drop in U.S. agricultural exports - down almost \$1 billion from the 1994 record of \$4.5 billion. Still, exports would have declined even further if NAFTA had not been in place. Without the NAFTA guarantees of phased-in tariff reductions, Mexico would undoubtedly have raised tariffs significantly on imports from the United States, as it did during the 1982 debt crisis. (Indeed, tariffs of 35 percent were imposed in 1995 on Mexico's non-NAFTA trading partners.) At the time of the 1982 debt crisis, U.S. exports to Mexico dropped in half. In comparison, in 1995, U.S. exports declined by only 22 percent.

#### NAFTA Still Helps

In 1996, the trade boosting effects of NAFTA are even stronger, as it is now the third year of implementation. Many important commodities have ten-year phaseout periods for their tariffs. In

1996, the third year of the tariff phaseout, products such as soybeans, wheat, rice, vegetable oils, and certain animal fats, have tariffs 30 percent lower than pre-NAFTA levels.

### Performance by Product

#### Grain and Feed

Basic foodstuffs make up the lion's share of the recovery in U.S. agricultural exports to Mexico. For January through June, overall bulk exports are running at more than double last year's level. Corn exports through June are already over \$637 million, compared to only \$95 million at this time last year. Similarly, Mexican imports of wheat (\$141 million) are more than double last year's \$51 million. The continuing two-year drought in Mexico has caused these increases, as domestic production has dropped, and it is expected that import demand for these products will persist. The bad weather seems to have broken with good rainfall since June, but the heightened demand

should continue.

While in July the overall tariff rate quota for corn was set at 9.283 million metric tons, it has since been revised downward to 7.056 million tons. This is because of a reduced threat of continuing drought damaging the spring/summer crop, and oversupplies of other grain feeds, particularly sorghum. Still, this amount is far higher than the tariff rate quota of 2.65 million metric tons for 1996 set by NAFTA. Exports in 1996 will likely be a record.

#### Oilseeds

Soybean exports have nearly doubled so far this year to \$409 million, again because the drought in Mexico has lowered domestic production. Smaller increases are seen in most other oilseed categories as well. Sunflowerseed oil is an exception, with sales down slightly (\$51 million in 1995 to \$38 million in 1996).

#### Cotton

Cotton exports are also up, pointing to a recovery in Mexican manufacturing as much as to the continued drought. Exports through June 1996 reached \$165 million, compared to only \$115 million in 1995.

#### Seeds for Planting

Mexico is the biggest customer for U.S. seeds exports, and this year is no exception. Exports of \$81 million are more than double the same period last year. The largest increase has been in field crop seeds.

#### Dairy

Dairy exports are up 50 percent over last year, to \$61 million. Most of this increase was in condensed milk and whey.

# ...Mexico

## Poultry

Poultry exports are also up over 1995's depressed figures, to \$102 million. Most of the increase took place in poultry meats, which increased 21 percent to \$88 million.

## Livestock

Livestock exports are making a good recovery over last year, with exports to date at \$29 million, nearly triple the same period in 1995. While Australia is expected to become a competitor for sheep as new phytosanitary rules will allow them to export to Mexico, U.S. exporters can expect to do well. Demand for meat is rebounding after the recession, and the need to repopulate herds reduced because of the drought should raise import demand for live animals significantly in 1996/97.

## Beef and Pork

While beef exports are rebounding from 1995's decline, the pork sector is still struggling. Beef exports are up 47 percent so far in 1996 over last year, to

\$81 million, while pork sales have increased only 15 percent to \$42 million.

## Other Animal Products

Sales of other animal products have been making a good recovery from last year's recession. Exports of hides and skins have almost doubled to \$56 million. Lard/tallow sales have also increased, but not as much. Exports are at \$69 million, an increase of only 1 percent.

## Fruits and Vegetables

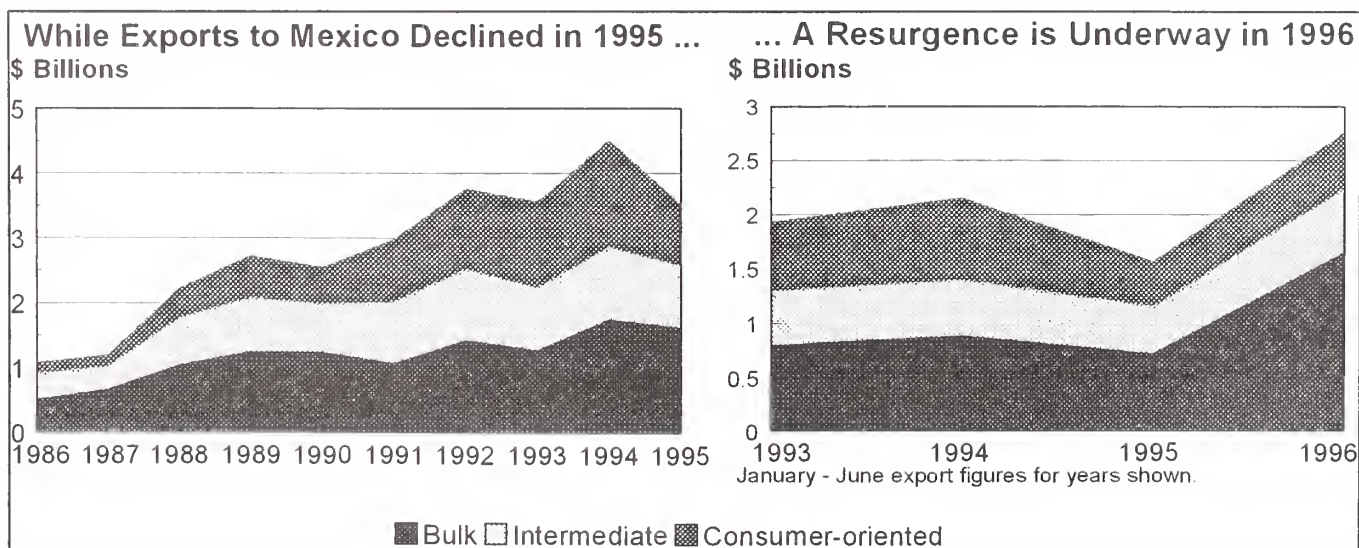
Fruit and vegetable exports to Mexico are a relatively small aspect of U.S. total agricultural exports. The lingering effects of the recession are showing with only a slow recovery taking place in U.S. exports. Total fresh and processed fruit and vegetable exports have reached only \$92 million, a jump of only 18 percent over last year's anemic level. While exports may increase at a more rapid rate later in the year as the economy continues to recover, other sectors are more important. Tree nut exports, at \$13 million, are running nearly double last year's figures.

## New Services Provide Better Information

The Office of Agricultural Affairs has recently instituted a new information service, **Mexican Weekly Highlights and Hot Bites**. This is a weekly review of issues of interest to the U.S. agricultural community. The topics covered in this report reflect developments in Mexico that have been garnered during travel around the country, reported in the media, or offered by host country officials and the agricultural trade. Or, you can check out the Internet home page for F A S / M e x i c o at: <http://www.atomexico.gob.mx/ato>.

## Agricultural Trade Office

In Mexico City, the Agricultural Trade Office or ATO is designed to help U.S. exporters move their products into Mexico. You can reach the ATO at (011-52-5) 202-0168/0212/0434; fax (011-52-5) 202-0528.



## ...Mexico

### Food Shows Provide Opportunities for U.S. Exporters

The **Festival de Alimentos y Bebidas USA '97** is USDA's most popular solo exhibition, and an excellent venue for promoting U.S. consumer food and beverages in Mexico. This biennial event is next scheduled to take place from November 18-20, 1997 in Mexico City, Mexico. Exporters should start planning now for this event, where over 5,000 business representatives can be expected to attend.

Other shows scheduled in the next several months include:

#### EXPO OF THE AMERICAS

Location: World Trade Center, Mexico City  
Date: April 8-10, 1997  
Type of show: F & B, Equipment  
Organizer: E.J. Krause de México, S.A. de C.V.  
Tel: (011-525) 523-8426  
Fax: (011-525) 523-8276  
Contact: Laura Williams

#### EXPO TECNOALIMENTARIA '96

Location: World Trade Center, Mexico City  
Date: March 25-28, 1997  
Type of show: Food technology and food ingredient suppliers  
Organizer: Asociación de Tecnólogos en Alimentos de México, A.C.  
Tel: (011-525) 386-1368, 386-1083  
Fax: (011-525) 386-1952  
Contact: Lorena Jurado

#### ANTAD '97

Location: Expo-Guadalajara Convention Center, Guadalajara, Jalisco  
Date: March 14-17, 1997  
Type of show: F & B, Equipment  
Organizer: National Retailers Association (ANTAD), Homero 109, 11th Floor, Col. Polanco, 11560 México, D.F.  
Tel: (011-525) 254-1714, 250-2441, 250-2452  
Fax: (011-525) 203-4495  
Contact: Manuel Alvarez Corona, Conventions Manager

#### EXPO CARNES 1997

Location: World Trade Center Mexico City  
Date: March 1997  
Type of show: Meat Suppliers, Packers & Processors Exhibition  
Organizer: Consejo Nacional Agropecuario, Unión Nacional de Avicultores, American Meat Institute  
Tel: (011-528) 333-6716, 346-1389  
Fax: (011-528) 347-5029  
Contact: Ing Enrique Castillo

#### AFIA / AGROMEXICO '97

Location: Expo-Guadalajara Convention Center, Guadalajara, Jalisco  
Date: June 1997  
Type of show: Food Processing Equipment, canning supplies, horticulture,  
Organizer: American Feed Industry Association, 1501 Wilson Blvd., Arlington, VA 22209  
Tel: (703) 524-0810  
Fax: (703) 524-1921  
Contact: Mary Ellen-Hill, International Trade Information, Inc., (818) 340-8864

#### EXPO CONACCA '97

Location: Aguascalientes Convention Center, Aguascalientes, Mexico  
Date: July 1997  
Type of show: Fresh produce, F & B, Packaging, Equipment  
Organizer: Confederación Nacional de Agrupaciones de Comerciantes de Centrales de Abasto, A.C. (National Federation of Central Market Produce Wholesalers)  
Tel: (011-523) 641-8630  
Fax: (011-523) 642-7982  
Contact: Lic. Verónica González

#### EXPO-ALIMENTOS

Location: Cintermex Trade Center, Monterrey, Nuevo Leon, Mexico  
Date: September 1997  
Type of show: F & B, Equipment  
Organizer: APEX, Edificio Cintermex, Av. Parque Fundidora 501, Suite 22, Col. Obrera 64050, Monterrey, Nuevo Leon, Mexico  
Tel: (011-528) 369-6969  
Fax: (011-528) 369-6911

*For more information, contact: Mark Thompson at (202) 720-2194*



# US Exports of Agricultural, Fish & Wood Products to MEXICO

Calendar Years 1991 to 1996 and Year-to-Date Comparisons (\$1,000)

Product	Calendar Years					January-June		%
	1991	1992	1993	1994	1995	1995	1996	Chg
<b>Bulk Agricultural Total</b>	1,067,679	1,427,499	1,275,365	1,750,508	1,624,822	714,174	1,640,274	129.7%
Wheat	39,170	61,824	134,449	91,597	144,897	50,974	140,749	176.1%
Coarse Grains	527,382	690,046	415,200	749,408	645,869	243,859	806,894	230.9%
Rice	24,669	44,404	56,015	66,879	73,893 *	40,701	48,028	18.0%
Soybeans	343,727	439,996	415,723	533,436 *	479,270	225,779	409,396	81.3%
Cotton	56,371	109,035	190,589	196,646	197,488 *	115,463	165,892	43.7%
Tobacco	197	69	373	235	430 *	110	45	-59.1%
Pulses	23,036	15,312	15,061	26,108	12,339	2,551	19,726	673.3%
Peanuts	9,098	10,207	10,645	17,846 *	15,683	5,113	15,218	197.6%
Other Bulk Commodities	44,029	56,607	37,310	68,353	54,952	29,623	34,325	15.9%
<b>Intermediate Agricultural Total</b>	952,169	1,091,252	960,687	1,111,424 *	946,846	438,071	595,499	35.9%
Wheat Flour	8,310	13,741 *	5,060	3,969	3,381	1,271	6,453	407.7%
Soybean Meal	64,879	99,778	41,266	82,787	72,715	34,721	52,294	50.6%
Soybean Oil	9,596	13,269	14,854	13,702	37,056	16,976	16,396	-3.4%
Other Vegetable Oils	31,568	57,557	76,647	91,862	148,558 *	75,149	69,367	-7.7%
Feeds & Fodders (excl. pet foods)	72,821	110,921	110,237	122,343 *	83,707	39,025	42,220	8.2%
Live Animals	188,662	197,323 *	108,679	149,747	31,409	14,334	32,115	124.0%
Hides & Skins	133,836 *	130,271	103,336	103,038	61,520	28,777	55,901	94.3%
Animal Fats	96,772	90,033	111,702	125,915	137,774 *	68,134	70,321	3.2%
Planting Seeds	87,384	120,154	119,649	114,697	98,225	35,745	80,933	126.4%
Sugars, Sweeteners & Bever. Bases	91,293	46,875	37,762	57,417	57,446	24,789	34,703	40.0%
Other Intermediate Products	167,048	211,331	231,494	245,947 *	215,054	99,151	134,798	36.0%
<b>Consumer-Oriented Agricultural Total</b>	964,309	1,246,928	1,325,893	1,651,164 *	947,693	415,749	523,079	25.8%
Snack Foods (excluding nuts)	77,160 *	109,879	104,729	111,334 *	55,415	24,241	28,894	19.2%
Breakfast Cereals & Pancake Mix	12,367	27,233	28,985	40,612 *	23,453	9,538	18,801	97.1%
Red Meats, Chilled/Frozen	373,037	385,955	273,956	426,603 *	191,478	93,306	123,471	32.3%
Red Meats, Prepared/Preserved	28,028	39,827	53,725	65,325 *	30,475	13,341	14,670	10.0%
Poultry Meat	116,498	169,496	205,011	228,818 *	164,280	74,318	88,741	19.4%
Dairy Products	117,810	163,252	244,455 *	176,962	124,161	38,903	59,951	54.1%
Eggs & Products	9,823	9,650	11,100	17,906	14,092	4,503	10,555	134.4%
Fresh Fruit	44,600	61,403	96,553	159,769 *	74,273	37,764	43,402	14.9%
Fresh Vegetables	24,936	40,468	37,636	49,113 *	18,528	4,844	8,185	69.0%
Processed Fruit & Vegetables	48,213 *	76,239	76,870	107,074 *	65,813	31,018	35,082	13.1%
Fruit & Vegetable Juices	6,788	8,304	9,896	15,670 *	8,330	4,250	4,453	4.8%
Tree Nuts	16,641	27,817 *	26,499	27,047	17,688	6,541	12,772	95.3%
Wine and Beer	14,047	17,197	21,999	29,400 *	23,350	5,809	7,131	22.8%
Nursery Products & Cut Flowers	12,455	14,717	15,956	21,799 *	20,533	5,968	8,281	38.8%
Pet Foods, Dog/Cat	5,550	11,725	19,604	31,593 *	21,358	12,414	13,468	8.5%
Other Consumer-Oriented Products	56,356	83,765	98,917	142,141 *	94,466	48,990	45,222	-7.7%
<b>Wood Products Total</b>	382,439	510,660	473,726	396,612	235,304	123,994	119,274	-3.8%
Logs	6,178	8,278	7,744	10,636 *	8,725	3,172	2,496	-21.3%
Lumber	194,862	250,373 *	237,723	184,318	112,293	59,097	48,269	-18.3%
Plywood & Panel Products	73,654	98,958	113,595 *	108,749	56,663	27,978	37,536	34.2%
Other Wood Products	107,745	153,050 *	114,664	92,909	57,623	33,748	30,973	-8.2%
<b>Fish &amp; Seafood Products Total (Edible)</b>	16,779	22,973	32,743	49,077 *	20,487	8,759	8,926	1.9%
Salmon, Whole/Eviscerated	241	422 *	339	380	147	71	96	35.2%
Salmon, Canned	70	445	374	499 *	53	53	22	-58.5%
Crab & Crabmeat	319	665	557	800	286	130	172	32.3%
Surimi (fish paste)	N/A	234	388 *	216	202	101	95	-5.9%
Roe & Urchin	135	203	320	319	843 *	399	447	12.0%
Other Edible Fish & Seafood Products	16,014	21,004	30,765	46,862 *	18,955	8,005	8,093	1.1%
<b>Agricultural Product Total</b>	2,984,157	3,765,679	3,561,945	4,513,096 *	3,519,361	1,567,994	2,758,852	75.9%
<b>Agricultural, Fish &amp; Wood Product Total</b>	3,383,375	4,299,312	4,068,414	4,958,785 *	3,775,152	1,700,747	2,887,052	69.8%

Note: (\*) Highest export level since at least 1970, N/A = not available, NA = not applicable.



# Trade Event: Trade Mission to Slovenia and Croatia

*The U.S. Department of Agriculture is inviting U.S. grain and soybean trading firms to participate in a trade mission to Slovenia and Croatia. The mission is being organized by the Trade and Investment Program of the Foreign Agricultural Service and is funded by the Emerging Markets Program which was authorized in the Federal Agriculture Improvement and Reform Act of 1996. The trade mission will take place October 14 - 18, 1996. The registration deadline for interested firms is October 4.*

## Mission Objectives

The main objective of the mission is to increase trade contacts and information in order for U.S. companies to take advantage of the growing export potential for U.S. commodities, especially soybean meal, in Central Europe. This will be accomplished through meetings with Central European importers from Slovenia, Croatia, Hungary, Austria, the Czech Republic, and Slovakia, as well as port visits in Slovenia and Croatia.

## Targeted Import Entry Points/Contacts

Adriatic Sea ports in Slovenia and Croatia are being targeted for this mission because of their strategic geographical location. For example, the distance from the port of Koper, Slovenia to Bratislava, Slovakia is a fraction of that from Rotterdam to Bratislava. These ports are quickly becoming the gateway to Central Europe as the countries in this region continue their transition to full market economies.

Trade mission participants will be introduced to progressive local companies in Slovenia and Croatia that are prepared to cooperate with U.S. suppliers in distributing and marketing U.S. high quality soybean meal and grain throughout the region. These companies have the contacts and intimate knowledge of the surrounding markets that can be used to assist U.S. companies establish trading relationships in the region.

The trade mission also will visit a soybean crushing facility at the port of Zadar. This facility is less than 20 years old and was built to supply the former Yugoslavia

with its annual requirements of soybean meal and vegetable oil. It has an annual crushing capacity of 300,000 tons. During the recent war, production was quite limited, but since the Dayton Agreement was signed, the plant has increased its production levels. Three cargos of Argentine soybeans have been imported in recent months. This processing facility enjoys an excellent reputation throughout the region and could be used by regional importers for toll crushing or simply for direct sales of soybeans by U.S. exporters. The management of this plant has expressed its interest in establishing ties with a U.S. supplier of soybeans.

## Import Demand

The annual demand in the region for soybean meal is estimated in excess of one million tons. Imports are needed since domestic production meets less than 10 percent of domestic consumption because of unfavorable growing conditions for soybeans. In 1995, the region imported the following amounts of soybeans/meal, Hungary, 470,000 tons; Austria, 430,000 tons; Czech Republic, 375,000 tons; Slovak Republic, 130,000 tons; Croatia, 100,000 tons; and Slovenia, 80,000 tons. The recent upturn in livestock numbers and a steady increase in income levels are expected to drive demand for grains and protein feeds higher.

In addition to soybeans/soybean meal exports, there is potential for U.S. grain companies to take advantage of existing storage space in Croatia and Slovenia to market grain and grain products not readily available in Central Europe such as corn, high protein spring and high quality durum wheats, and U.S. by-products such as corn gluten feed. Even though its wheat markets are still controlled by the government, Slovenia is expected to import up to 100,000 tons of U.S. spring wheat this year. The demand for feedgrains in 1996/97 also is expected to be high because the region, normally a net exporter, is suffering from a short wheat crop and tight grain stocks.

## Mission Agenda

Depart the United States Saturday, October 12 and arrive in Ljubljana, Slovenia Sunday, October 13.

Monday, October 14 - Ljubljana, Slovenia.

--Introductory breakfast

## ...Slovenia and Croatia

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(Tentatively hosted by U.S. Ambassador to Slovenia, Victor Jackovic)

- Presentations from Slovenian trading companies
- Presentations by USDA officials for local companies on U.S. grain/soybean quality and export credit programs.
- Individual meetings with local importers.
- Early evening travel by bus to port of Koper.

Tuesday, October 15 - Koper, Slovenia.

- Early morning tour of port facilities.
- Meetings with port authorities, freight forwarders, customs officials, and local logistics people.
- Presentations by Austrian, Czech, and Slovak soybean meal importers.
- Presentations by USDA officials for local companies on U.S. grain/soybean quality and export credit programs.
- Individual meetings with local importers.
- Travel to port of Rijeka.

Wednesday, October 16 - Rijeka, Croatia.

- Early morning tour of port facilities.
- Meetings with port authorities, freight forwarders, customs officials, and logistics people.
- Presentations by Croatian and Hungarian trading companies
- Presentations by USDA officials for local companies on U.S. grain/soybean quality and export credit programs.
- Individual meetings with local importers.

--Travel to Zagreb.

Thursday, October 17 - Zagreb, Croatia.

- Breakfast (tentatively hosted by U.S. Ambassador Peter Galbraith).
- Slide presentation on Zadar soybean processing plant.
- Presentations by Croatian and Hungarian trading companies.
- Presentations by USDA officials for local companies on U.S. grain/soybean quality and export credit programs
- Individual meetings with local importers.

Friday, October 18 - Zagreb, Croatia.

--Departure for United States

### How To Participate

The deadline for registering to participate in this trade mission is October 4. Interested companies should provide the following information:

Name and title of company representative  
Company Name and Address  
Phone/Fax  
Company profile  
Interest in the trade mission  
Signature and date.

Company brochures and other written information available regarding your company and its products and services may be submitted.

For assistance in registering for this trade mission, you should contact:

Clay Hamilton  
Agricultural Marketing Specialist  
Trade and Investment Program  
Foreign Agricultural Service/USDA  
Telephone: (202) 690-1858 or 690-3985  
Fax: (202) 690-3982

# Market Updates

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## **Korean Imports of U.S. Onions Prompted by Poor Crop**

A dramatic drop in Korea's domestic onion production in 1996 could boost U.S. onion sales to that market. Onion production in Korea in 1996 is estimated at 570,000 tons, down 41 percent from last year's output, and about 50,000 tons short of average annual consumption of about 620,000 tons. In order to fill the shortfall, onion tenders by the Agricultural and Fisheries Marketing Corporation (AFMC) are expected to take place later this year or early next year. AFMC, a state trading company, controls all Korean imports of onions.

Fresh onion imports into Korea were liberalized in 1995 under a Uruguay Round tariff rate quota system. The in-quota tariff rate is 50 percent, while the out-of-quota rate is the higher of 147 percent or 196 won per kilogram. The tariff rate quota for 1996 is 13,289 tons. The quota will be increased by 919.5 tons per year until year 2004 when it will be set at 20,645 tons. Prior to the opening of the tariff rate quota, the United States shipped \$15 million of onions to Korea in 1994 as a result of another production shortfall, but exports fell to \$2 million in 1995 when a large crop was harvested.

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## **Korea Signals Agreement On Table Grape Chemical Issue**

Korea's Ministry of Health and Welfare (MHW) has informed the U.S. Agricultural Minister-Counselor in Seoul that it will "very soon" establish a maximum residue level (MRL) of 10 parts per million (PPM) for sodium dioxide (SO<sub>2</sub>) on table grapes, a move that will significantly benefit U.S. exporters. In an August 21 letter to the U.S. Ambassador, MHW pledged to harmonize its permitted usage of sodium metabisulfite with international standards. Korea had implemented on August 6, a total ban on the use of sodium metabisulfite pads in grape shipments. As sodium metabisulfite breaks down, it produces SO<sub>2</sub> gas, which serves to discourage mold and preserve freshness. The pads are frequently used by the U.S. industry, particularly when shipping to distant destinations, such as Korea.

USDA had earlier provided information to Korea's MHW demonstrating that SO<sub>2</sub> was safe and widely approved by world trading partners. This material included a letter from the U.S. Environmental Protection Agency attesting to the fact that it had worked in conjunction with the Food and Drug Administration in approving a tolerance of 10 PPM for SO<sub>2</sub>. With the opening of Korea's market to table grape imports on January 1, 1996, as provided for under the Uruguay Round Agreement, the United States gained access to what is expected to become a significant new market for the U.S. table grape industry. The decision to establish a 10 PPM MRL for SO<sub>2</sub>, which is expected to be finalized by the end of the year, will provide the industry an important tool for developing the market.

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## **Japan Implements E. Coli Inspection Program for Imported Vegetables**

Japan implemented a new inspection program for 13 imported vegetables beginning the week of August 19 in response to continuing E. Coli problems. While characterized as a voluntary program, Japan's Fresh Produce Import Facilitation Association is following the government's "administrative guidance" and is carrying out the inspection procedure. Initial reports indicate that the inspection does not involve a "hold and test" procedure and that the duration of the testing depends on initial test results. The affected commodities are lettuce, broccoli, garlic, burdock root, tomatoes, peppers, cabbage, asparagus, ginger, onions, celery, carrots, and shallots. While the United States is not presently permitted to export tomatoes and peppers to Japan, combined shipments of remaining products, including broccoli, lettuce and asparagus, were valued at nearly \$125 million in calendar year 1995. To date, the new inspection procedures have not adversely impacted on U.S. vegetable shipments to Japan.

## ...Market Updates

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### **Australia Looking To Exploit the Mexican Livestock Market**

Mexican animal health officials were reportedly in Australia to develop animal health protocols which will permit the export of sheep and cattle to drought stressed regions of Mexico. While Mexican purchases were substantially lower in 1996 and 1995 due to economic and drought problems, Mexico was a market for over 150,000 head of U.S. beef and dairy cattle valued at an estimated \$120 million in 1994. Also in 1994, about 760,000 U.S. sheep valued at about \$25 million were exported to Mexico.

Once Mexico begins to replenish its herds, Australia could be a significant supplier. In the past, Australian cattle have been banned from Mexico due to bluetongue disease concerns. The proposed protocol provides for a quarantine and testing period prior to shipment. Australia welcomes the new live animal export market, especially since Saudi Arabia stopped importing Australian sheep because of consistently poor quality shipments. Prior to 1991/92, Saudi Arabia imported 3 - 5 million head of Australian live sheep annually.

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### **Thailand's Wine Excise Tax Hike Threatens U.S. Sales**

Thailand's Ministry of Finance issued a decree on July 25 which raises the excise tax on wine from 20 percent to 40 percent. The action reportedly was taken as part of an effort to address that country's rising current account deficit. While the tax is being imposed on both domestic and imported wine, imports will bear the brunt of the tax increase since domestic production supplies only a fraction of the market. In addition to the excise tax, Thailand applies an import duty of 58.8 percent. Despite these high import charges, U.S. wine exports to Thailand have been expanding. U.S. wine exports to Thailand during the year ending May 1996 were valued at \$3 million compared to \$1.6 million a year earlier.

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### **Russian Grain Import Requirements Discussed**

Russia's Agriculture Minister has indicated that Russia will need to import 3 - 4 million tons of grain (mostly corn) this year. Trade contacts, however, doubt Russia's ability to finance imports of this magnitude. The Minister's statement is noteworthy since his office previously has opposed public discussion of imports, especially during harvest time. In the event of imports, the United States is likely to be the primary corn supplier since Eastern European grain supplies are diminished this year. Russia has not imported significant amounts of corn from the United States since 1993/94.

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### **EU Expands Wheat and Barley Export Subsidies**

The EU continued its shift to a more aggressive export policy by granting subsidies on grain export licenses during the second week of September. This represented the fourth consecutive week for such subsidies. The EU's Agricultural Commission awarded free-market wheat subsidies at \$7/ton on licenses to African, Caribbean and Pacific (ACP) countries. In addition, the EU approved export licenses covering 316,000 tons of free-market barley, with a subsidy of \$32/ton. This represents a shift in emphasis from government stocks sold at a loss, to new crop supplies sold with a specified subsidy. The EU also sold intervention barley at \$137-140/ton, about \$30/ton below the unsubsidized export price. This trend reflects the commission's apparent concern with disposing of a bumper harvest in the face of intensified export competition.



## ...Market Updates

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### **Egypt Buys EU Wheat, U.S. Sales In Jeopardy**

Egypt recently purchased 200,000 tons of French wheat at prices reportedly \$5-6 per ton below unsubsidized French export prices, and \$2-3 per ton below U.S. prices. While EU exporters may or may not receive export subsidies for this sale, their aggressive pricing indicates stiffening competition as prospects for exporting countries' wheat crops grow.

Citing excessive vomitoxin levels, Egypt reportedly is delaying further purchases of U.S. soft red winter wheat, jeopardizing new U.S. sales. This development, coupled with China's recent cancellations and apparent withdrawal from the U.S. market, could severely diminish U.S. export prospects for the remainder of the year. The United States exported over 7.5 million tons of wheat to Egypt and China in the 1995/96 marketing season, representing nearly 25 percent of total U.S. exports. U.S. export sales to these countries in 1996/97 are currently estimated at 2.9 million tons.

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### **Cote d'Ivoire Revises Rice Import Tariffs**

Newly increased import duties on milled rice (greater than 15 percent broken grains) and intentions to enact a variable import levy, call into question the future U.S. share of the rice market in Cote d'Ivoire. Cote d'Ivoire imports about 280,000 tons of rice annually with approximately 40 percent supplied by the United States. Under the new system to protect local producers when rice import liberalization fully takes place in 1997, the variable import duty will be based on world rice prices. The competitiveness of U.S. rice will depend on how the variable duty is applied.

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### **Kenya Becoming Major Horticultural Products Export Competitor**

Steady demand for Kenyan fresh horticultural products in Europe, North America and Middle Eastern countries has transformed Kenya into one of Africa's leading exporters of fresh horticultural products. In 1995, horticultural exports from Kenya totaled 228,000 tons valued at \$184 million. Cut flowers, french green beans, snow peas, okra, Asian vegetables, avocados, mangoes, and passion fruit are Kenya's leading fresh produce exports.

New private sector investments and U.S. Aid for International Development (USAID) program assistance to the Kenyan horticultural sector have stimulated this rise in exports. The long-term prospects for Kenya's fresh horticultural product exports appear promising because of increasing world demand and the country's favorable year-round weather.

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### **Brazil - U.S. Bilateral Agreements Yield Positive Results**

Agreements reached in mid-July on a number of technical issues will translate into continued market access for several key horticultural products. USDA officials and their Brazilian counterparts agreed on conditions for the entry into Brazil of apples from all U.S. origins as well as import requirements for U.S. pears. This will enable the Foreign Agricultural Service to continue market development activities under the Market Access Program to develop this market in cooperation with the U.S. apple and pear industries. U.S. exports to Brazil of these two commodities were valued at nearly \$16 million in 1995. An understanding also was reached on the technical import requirements for U.S. strawberries.

## ...Market Updates

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### **Record Horticultural Trade With CBI Countries**

U.S. horticultural trade with the Caribbean and Central American countries included in the Caribbean Basin Initiative (CBI) set a record in 1995. Total 1995 import value reached \$1.05 billion, while exports were \$273 million. Besides bananas, which normally account for about 60 percent of total U.S. horticultural imports from the region, fresh melons (mostly cantaloupes), pineapples, and nursery products (mainly live plants and cut flowers) continue to be the major import items. The top five suppliers remained Costa Rica, Guatemala, the Dominican Republic, Honduras, and Jamaica. These CBI countries supplied 90 percent of total U.S. imports of horticultural products from the region in 1995, excluding bananas and plantains, which enjoyed duty-free access into the United States before the CBI program was implemented.

U.S. shipments of fresh fruits and vegetables, processed fruit and vegetables (canned, frozen, and dried), juices, and wine continued strong in 1995. Horticultural exports to Haiti increased more than 400-fold due to the lifting of trade sanctions in October 1994. However, sales of nursery products, hops, and miscellaneous preparations to CBI countries decreased due to relatively higher U.S. product prices. A strong emphasis on production and export of fruits and vegetables, combined with their geographical proximity, will likely continue to boost CBI exports to the United States. U.S. horticultural exports to CBI countries will also continue to increase.

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### **Mexico Extended USDA's Supplier Credit Guarantee**

USDA authorized late last month \$20 million in supplier credit guarantees for sales of U.S. agricultural commodities to Mexico during fiscal year 1996 under the Commodity Credit Corporation's pilot Supplier Credit Guarantee Program. This program is a new adaptation of the GSM-102 Credit Guarantee Program and is designed to assist exporters of U.S. agricultural commodities who wish to provide relatively short-term credits to their importers. The new credit guarantee line covers sales to Mexico of fruits, vegetables, tree nuts, potatoes, wine, brandy, dairy products, and ice cream--products typically traded in smaller transactions and not commonly financed under the existing GSM-102 program. U.S. agricultural exports to Mexico are forecast to reach a record \$5.0 billion in fiscal year 1996, making Mexico the third largest export market for the United States.

This represents the first time that the Supplier Credit Guarantee Program will be used since it was authorized under the 1996 Farm Bill. The Program is unique because it covers short-term financing extended directly by U.S. exporters to foreign buyers for up to 180 days. It is likely to become an important tool of the Department of Agriculture to develop and expand export markets for U.S. agricultural commodities where commercial financing may not be available without the Commodity Credit Corporation's credit guarantee. The Program only requires that importers obtain a promissory note in case of default on the CCC-backed payment guarantee.

# US Exports of Agricultural, Fish & Wood Products to All Countries

Calendar Years 1991 to 1996 and Year-to-Date Comparisons (\$1,000)

Product	Calendar Years					January-June		% Chg
	1991	1992	1993	1994	1995	1995	1996	
<b>Bulk Agricultural Total</b>	18,348,386	19,687,248	18,593,458	18,951,466	26,018,597	12,414,698	15,050,694	21.2%
Wheat	3,292,138	4,449,324	4,664,582	4,056,007	5,447,333	2,214,053	3,123,968	41.1%
Coarse Grains	5,722,597	5,736,599	5,000,598	4,731,925	8,152,928	3,560,419	5,111,943	43.6%
Rice	753,557	726,072	771,312	1,010,548	997,833	491,717	497,271	1.1%
Soybeans	3,956,443	4,380,402	4,598,746	4,330,427	5,400,038	2,594,375	3,374,915	30.1%
Cotton	2,491,999	2,010,338	1,540,678	2,676,263	3,713,889 *	2,372,097	1,816,603	23.4%
Tobacco	1,427,631	1,650,559 *	1,306,067	1,302,745	1,399,863	752,608	738,725	-1.8%
Pulses	268,414	191,656	213,254	280,649	264,153	123,777	112,788	-8.9%
Peanuts	180,304	240,308	204,576	187,552	266,243	127,665	107,826	-15.5%
Other Bulk Commodities	255,304	301,989	293,645	375,352	376,318	177,986	166,654	-6.4%
<b>Intermediate Agricultural Total</b>	8,789,224	9,231,134	8,973,466	9,749,696	10,992,075 *	5,708,287	5,441,426	-4.7%
Wheat Flour	184,256	184,317	205,729	211,248	236,368	130,298	64,266	-50.7%
Soybean Meal	1,155,307	1,294,722	1,132,041	958,920	1,074,516	568,354	664,310	16.9%
Soybean Oil	222,126	376,202	363,897	525,077	694,080	501,167	135,182	-73.0%
Other Vegetable Oils	418,144	502,732	543,897	671,187	921,440 *	483,549	445,952	-7.8%
Feeds & Fodders (excl. pet foods)	1,605,732	1,722,327	1,744,163	1,738,454	1,902,403 *	944,128	1,043,544	10.5%
Live Animals	686,563 *	607,891	518,927	587,352	519,242	191,481	209,364	9.3%
Hides & Skins	1,357,570	1,326,054	1,268,658	1,507,616	1,727,629	896,348	846,065	-5.6%
Animal Fats	426,824	515,214	501,702	598,546	788,703 *	427,184	339,309	-20.6%
Planting Seeds	671,655	675,011 *	619,359	648,614	666,360	344,858	383,235	11.1%
Sugars, Sweeteners & Bever. Bases	634,101	573,921	567,807	656,761	629,634	319,491	336,958	5.5%
Other Intermediate Products	1,426,946	1,452,744	1,507,288	1,645,921	1,831,699 *	901,428	973,241	8.0%
<b>Consumer-Oriented Agricultural Total</b>	11,967,920	13,895,994	14,911,316	16,988,134	18,787,618 *	8,898,590	9,852,516	10.7%
Snack Foods (excluding nuts)	633,040	829,679	1,024,643	1,101,668 *	1,049,207	469,577	539,919	15.0%
Breakfast Cereals & Pancake Mix	216,802	219,762	252,993	291,979 *	275,239	125,100	153,141	22.4%
Red Meats, Chilled/Frozen	2,660,267	3,112,361	3,055,222	3,383,394	4,162,666 *	1,941,906	2,302,174	18.6%
Red Meats, Prepared/Preserved	165,101	181,562	220,038	253,621	283,988 *	122,427	163,729	33.7%
Poultry Meat	817,913	928,464	1,100,613	1,570,414	2,025,713 *	883,836	1,112,152	25.8%
Dairy Products	462,956	793,754	857,487 *	753,257	796,750	401,445	381,285	-5.0%
Eggs & Products	143,367	139,234	139,438	164,653	170,719	78,135	101,562	30.0%
Fresh Fruit	1,561,053	1,683,344	1,707,147	1,953,767	1,972,864 *	980,287	959,966	-2.1%
Fresh Vegetables	832,935	899,624	985,953	1,046,789	1,068,572 *	647,018	546,607	-15.5%
Processed Fruit & Vegetables	1,394,490	1,558,121	1,639,583	1,720,891	1,906,561 *	931,798	926,220	-0.6%
Fruit & Vegetable Juices	385,414	461,017	469,517	543,013	659,043 *	334,599	343,771	2.7%
Tree Nuts	867,704	928,531	998,246	1,106,416	1,169,129 *	428,014	544,701	27.3%
Wine and Beer	315,756	369,181	379,301	532,735	648,681 *	299,061	334,032	11.7%
Nursery Products & Cut Flowers	201,442	201,321	209,397 *	197,985	193,300	108,552	115,624	6.5%
Pet Foods, Dog/Cat	329,772	399,630	497,621	577,943	630,237 *	313,976	331,385	5.5%
Other Consumer-Oriented Products	979,907	1,190,410	1,374,116	1,789,607 *	1,774,949	832,855	996,248	19.6%
<b>Wood Products Total</b>	6,429,179	6,741,685	7,281,313 *	7,085,787	7,245,897	3,839,343	3,589,870	-6.5%
Logs	2,074,432	2,140,010	2,489,560 *	2,277,981	2,287,347	1,307,548	1,031,147	-21.1%
Lumber	2,203,353	2,322,491	2,449,643 *	2,428,150	2,411,741	1,297,527	1,190,233	-8.3%
Plywood & Panel Products	735,227	847,867	906,397	944,360	996,592 *	507,937	491,333	-3.3%
Other Wood Products	1,416,167	1,431,317	1,435,714	1,435,297	1,550,217 *	726,331	877,157	20.8%
<b>Fish &amp; Seafood Products Total (Edible)</b>	3,035,383	3,353,935 *	2,959,086	3,002,265	3,138,220	1,399,842	1,314,977	-6.1%
Salmon, Whole/Eviscerated	436,975	681,663	583,060	518,413	545,283	72,359	72,747	0.5%
Salmon, Canned	133,644	154,401	160,416	161,577	174,946 *	64,359	57,048	-11.4%
Crab & Crabmeat	431,411	448,050 *	417,660	349,136	209,070	138,145	96,885	-29.9%
Surimi (fish paste)	N/A	367,627 *	274,322	318,850	353,433	182,104	125,829	-30.9%
Roe & Urchin	389,031	421,396	415,319	408,963	505,873 *	267,478	275,978	3.2%
Other Edible Fish & Seafood Products	1,644,322 *	1,280,798	1,108,309	1,245,325	1,349,614	675,397	686,490	1.6%
<b>Agricultural Product Total</b>	39,105,530	42,814,376	42,478,240	45,689,296	55,798,290 *	27,021,575	30,344,636	12.3%
<b>Agricultural, Fish &amp; Wood Product Total</b>	48,570,092	52,909,996	52,718,639	55,777,348	66,182,407 *	32,260,760	35,249,483	9.3%

Note: (\*) Highest export level since at least 1970; N/A = not available; NA = not applicable

# U.S. Agricultural Export Value by Region

## Monthly and Annual Performance Indicators

	June			October-June			Fiscal Year		
	1995	1996	Chg	FY '95	FY '96	Chg	1995	1996(f)	Chg
	-- \$Billion --			-- \$Billion --			-- \$Billion --		
<b>Western Europe</b>	0.413	0.631	53%	6.839	7.543	10%	8.606	9.5	10%
European Union 1/	0.394	0.606	54%	6.577	7.272	11%	8.256	9.1	10%
Other Western Europe	0.019	0.025	32%	0.262	0.271	3%	0.350	0.4	14%
<b>Central &amp; Eastern Europe</b>	0.013	0.017	34%	0.225	0.310	37%	0.283	0.4	41%
<b>Former Soviet Union</b>	0.083	0.103	23%	0.843	1.242	47%	1.158	1.6	38%
Russian Federation	0.073	0.081	12%	0.679	0.917	35%	0.911	1.3	43%
<b>Asia</b>	1.964	1.842	-6%	18.104	20.261	12%	23.979	26.9	12%
Japan	0.921	0.914	-1%	7.787	9.158	18%	10.447	12.2	17%
China	0.150	0.074	-51%	1.895	1.512	-20%	2.413	2.0	-17%
Other East Asia	0.641	0.627	-2%	5.672	6.244	10%	7.562	8.3	10%
Taiwan	0.233	0.219	-6%	1.944	2.177	12%	2.552	2.9	14%
South Korea	0.296	0.301	2%	2.648	2.919	10%	3.576	3.9	9%
Hong Kong	0.108	0.108	0%	1.072	1.147	7%	1.425	1.5	5%
Other Asia	0.252	0.226	-10%	2.750	3.348	22%	3.558	4.4	24%
Pakistan	0.002	0.008	292%	0.341	0.300	-12%	0.389	0.3	-23%
Philippines	0.060	0.067	13%	0.494	0.675	37%	0.675	0.9	33%
<b>Middle East</b>	0.170	0.134	-21%	1.802	1.961	9%	2.404	2.6	8%
Israel	0.039	0.059	53%	0.328	0.488	49%	0.452	0.7	55%
Saudi Arabia	0.030	0.011	-62%	0.360	0.425	18%	0.479	0.6	25%
<b>Africa</b>	0.182	0.150	-17%	2.139	2.143	0%	2.806	3.0	7%
North Africa	0.116	0.103	-11%	1.527	1.473	-3%	1.972	2.1	6%
Egypt	0.046	0.060	32%	0.949	0.989	4%	1.294	1.5	16%
Algeria	0.049	0.033	-32%	0.382	0.249	-35%	0.440	0.3	-32%
Sub-Saharan Africa	0.066	0.048	-28%	0.613	0.669	9%	0.833	0.9	8%
<b>Latin America</b>	0.549	0.804	46%	6.002	7.321	22%	8.101	9.8	21%
Mexico	0.257	0.442	72%	2.736	3.746	37%	3.700	5.0	35%
Other Latin America	0.293	0.362	24%	3.267	3.575	9%	4.401	4.8	9%
Brazil	0.022	0.034	51%	0.547	0.359	-34%	0.638	0.4	-37%
Venezuela	0.033	0.036	8%	0.364	0.342	-6%	0.493	0.4	-19%
<b>Canada</b>	0.529	0.533	1%	4.435	4.393	-1%	5.830	5.8	-1%
<b>Oceania</b>	0.036	0.034	-8%	0.436	0.337	-23%	0.563	0.4	-29%
<b>World Total</b>	<b>3.964</b>	<b>4.313</b>	<b>9%</b>	<b>41.068</b>	<b>46.046</b>	<b>12%</b>	<b>54.143</b>	<b>60.0</b>	<b>11%</b>

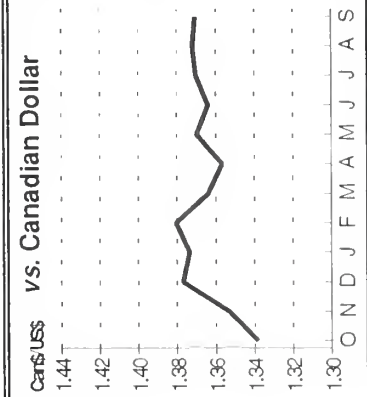
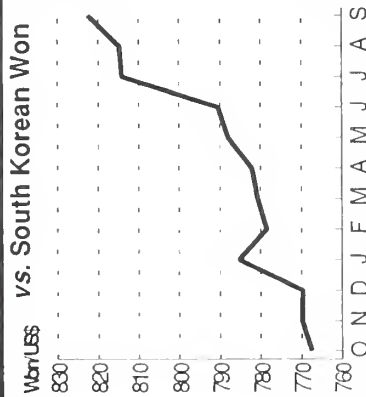
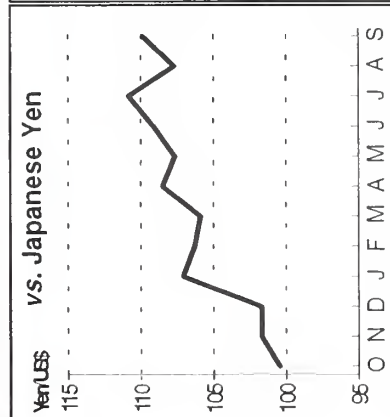
Note: 1/ EU-15 includes the newest member states of Austria, Finland and Sweden.

FY 1996 forecasts (f) are based on USDA's "Outlook for U.S. Agricultural Exports," published August 29, 1996.



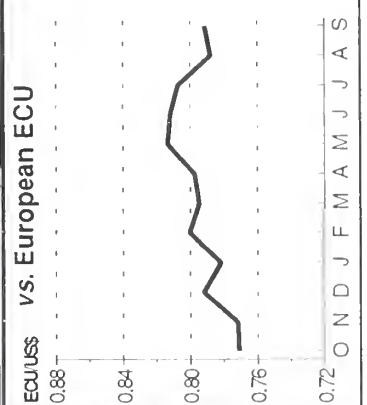
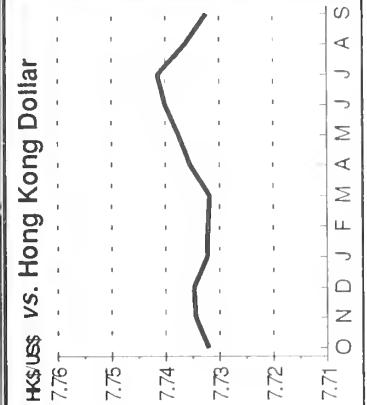
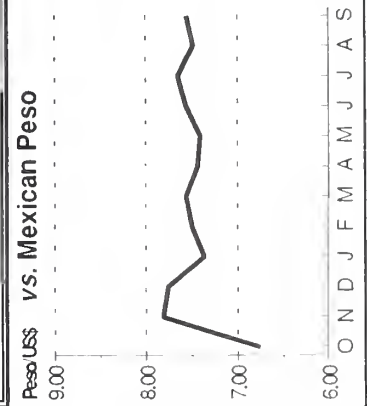
# Value Of U.S. Dollar Against Major World Currencies

## Daily Spot Quotations & Monthly Averages



Currencies	Current Rate 9/10/96	Month Ago 8/12/96	Year Ago 9/95	% Change Year Ago 9/95
Argentine Peso	.9988	.9988	1.000	-0.12
Australian Dollar	1.2498	1.2849	1.3286	-5.93
Brazilian Real	1.0170	1.0112	.9516	6.87
Canadian Dollar	1.3704	1.3717	1.3436	1.99
Hong Kong Dollar	7.7323	7.7363	7.7385	-0.08
Japanese Yen	109.85	107.68	99.95	9.90
Mexican Peso	7.5530	7.4850	6.2850	20.18
Taiwan Dollar	27.495	27.499	27.483	0.04
South Korean Won	822.50	814.65	771.70	6.58
European ECU	.79133	.78784	.78771	0.46
-British Pound	.6429	.6446	.6456	-0.42
-French Franc	5.1565	5.0605	5.0825	1.46
-German Mark	1.5107	1.4778	1.4730	2.56

NOTE: Exchange rates are daily spot quotes as of 3:00 PM Eastern Time, September 10, 1996.  
Source: TEAD/ITP/FAS Exchange Rate Database and Wall Street Journal.



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